



**State of Wisconsin**  
Department of Commerce  
(DUNS No. 80-903-6098)

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# **2000 Consolidated Plan**

## **For the State's Housing and Community Development Needs**

**Executive Summary**  
**Including the 2004-2005 Annual Plan Summary**

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**State of Wisconsin ■ Jim Doyle, Governor**  
**Department of Commerce ■ Cory L. Nettles, Secretary**

## INTRODUCTION

This *2000 Consolidated Plan*, referred to as the *Plan* and covering a period of 5 years, represents a significant consolidation of planning and application efforts by the State of Wisconsin in its efforts to secure federal funds earmarked to meet the critical housing and community development needs of the State's citizens. The funds, which in a typical year total \$50 million, are available through four formula grant programs of the U.S. Department of Housing and Urban Development (HUD), have played a key role in making Wisconsin's communities a better place to live. Every year, the State reviews its 5-Year Plan to examine whether or not the Plan needs updating and to reflect such updates in its Annual Plan document.

More specifically, the *2000 Consolidated Plan* was designed to replace the 1995-2000 State of Wisconsin Consolidated Plan. This new plan, effective from April 1, 2000, through March 31, 2005, represents the application process required of the State in accessing formula program funds of Small Cities Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons With AIDS (HOPWA).

The Plan and Annual Updates serve many objectives. In addition to being the State of Wisconsin's application to HUD for the four program funds, the Plans achieve greater program coordination and administrative efficiencies between the state and federal levels. The Plans also provide a more understandable administrative and implementation process at the state and local levels, and serve as a guide in implementing the State's strategy to coordinate the delivery of limited housing, community and economic development resources to areas of greatest need -- specifically, to local governments and organizations committed to participating in local, state and federal governmental efforts to meet the needs of various program clientele.

In short, the creation and actual effects of the Plans are intended to further strengthen the working relationships of the multitude of state and federal agencies, as well as local governments and organizations, sharing the missions of providing decent housing, suitable living environments and expanded economic opportunities for all residents of Wisconsin, particularly for very low-income and low- and moderate-income persons. Importantly, the Plans are a culmination of an extensive participatory process, which included five public roundtables, over 25 individual group meetings, the receipt of more than 60 written comments and over 136 individuals registering at the roundtables for the 2000 Plan document. For Commerce's changes to the CDBG Public Facilities Program for the 2002-2003 Plan, Focus Group meetings were held, informational sessions were held at 5 locations throughout the state, and a formal hearing was held to discuss the changes and receive input. The input received from these meetings and hearing ensures program effectiveness and coordination, as well as identifies areas that need further attention to help address unmet needs.

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**Note:** This overall comprehensive planning process is a requirement for all applicants and recipients of the four federal formula programs mentioned above. In addition to state governments, entitlement communities (cities and counties that receive their HUD housing and community development funds directly from HUD) must prepare plans. Organizations seeking assistance through state-administered HUD programs need to ensure that their requests are consistent with the appropriate local plans. Requests for assistance from areas already covered by a local plan will be reviewed for consistency with plans for the locality and State.

## **Executive Summary**

This Executive Summary highlights key points and overall themes, and the five main parts of the Consolidated Plan. The five parts are:

- *Part I: Coordinating and Managing the Process*
- *Part II: Citizen Participation*
- *Part III: Housing and Community Development Needs*
- *Part IV: Housing and Community Development Strategic Plan*
- *Part V: Action Plan -- One-Year Use of Funds*

### **Part I: Coordinating and Managing the Process**

The development of the Consolidated Plan has been a collaborative planning effort, involving State agencies, including the Department of Administration; Department of Commerce/Division of Community Development and Division of Business Development (COMMERCE/DCD and DBD); Department of Health and Family Services (DHFS); Department of Workforce Development (DWD); Department of Natural Resources (DNR); Department of Veterans Affairs (DVA); Wisconsin Housing and Economic Development Authority (WHEDA); and the University of Wisconsin-Extension (UW-Extension), as well as non-profit housing providers, local governments and other private organizations.

The major theme was the provision of an adequate supply of housing, regardless of type or population served, cannot be accomplished in the absence of addressing critical non-housing community development needs -- specifically, community infrastructure and economic opportunities for all persons, particularly low- and moderate-income people.

### **Part II: Citizen Participation**

Because the Consolidated Plan is designed to be a collaborative process, the State has consulted with an extensive number and a wide range of public, private and non-profit agencies in preparation of the plan. Specifically, the State sent out consolidated plan informational letters to over 1,700 public and private groups to receive feedback, including other state agencies, local governments, trade associations and non-profit organizations. Over 60 different groups and individuals submitted written comments, more than 25 individual meetings were held and over 136 individuals registered at the public hearings. Consolidated plan information was also posted on the COMMERCE internet site.

To encourage citizen participation, the State held five public roundtables; a public hearing; conducted individual meetings with over 25 interested individuals and groups; received more than 60 written comments prior to drafting the plan, published a notice regarding the proposed plan and inviting public comment; provided a reasonable number of free copies of the plan, including available copies at all major libraries; and took other actions to ensure that citizen voices were heard in the process. Any amendments to the Plan and performance reports will be subject to public review, as well.

### **Part III: Housing and Community Development Needs**

- Despite the state's stable economic health, there are still households in the extremely low- and very low-income range who need housing assistance. According to the National Low Income Housing Coalition study Out of Reach, September 1999, Publication, a person making minimum wage would need to work 81 hours per week to afford a two-bedroom unit at the HUD fair market rent;
- In addition, other households in the low-income range have great difficulty finding adequate housing within their means and that accommodates their needs. Out of Reach indicates that an individual in Wisconsin would need to earn \$10.44 per hour to afford the fair market rent unit at 30% of income;
- Attendees at the Roundtable discussions held throughout the state for purposes of this plan repeatedly voiced the continuing need to improve community infrastructure as well as a need for the creation of funding sources for other essential community needs. These concerns are also reflected in the State's 1999-2001 Budget Bill that includes numerous provisions that direct financial resources to community facility projects;
- The resounding need stressed is for community housing, public facilities and economic development professionals to give greater weight to the interrelationships between these components. Without adequate infrastructure, housing quantity and quality suffers. Without adequate infrastructure, economic development is limited. Without adequate housing, infrastructure and economic investment, a community's downtown, the heart of a community, deteriorates and results in disinvestment, a dwindling labor force due to out migration, and declining tax base making it even more difficult for local government to sustain itself.

### **Part IV: Housing and Community Development Strategic Plan**

- The response to the identified housing priority needs must be broad-based and sensitive to local markets that are both economically and geographically diverse;
- Areas of special focus will include promotion of homeownership; rental assistance; and assistance for the homeless and special needs populations, with the highest priority of investment for households at the very low-income level. More specifically, there should be:
  - Increase of maintenance, preservation, and affordability of housing to all consumers, especially those with severe cost burdens;
  - Adequate production of new units, including the adequate production of large family and elderly housing activities;
  - The preservation and increase of the availability of safe, sanitary housing for low- and moderate-income owners and renters including lead based paint hazard reduction training and resources;

- Housing assistance for special needs groups, including homeless prevention activities, expanding transitional housing programs and increasing emergency shelter operating funds;
- The continuance of fairness and accessibility for all housing consumers, including enforcement and compliance with fair housing laws; and
- Continued efforts to assist with housing disaster relief.
- Non-housing community development needs are identified as the replacement of deteriorating infrastructure, the provision of otherwise essential community facilities such as community centers, senior centers, special purpose shelters, facilities that provide needed public service such as clinics, libraries, and related activities. The retention and creation of economic opportunity in our communities continues to be of critical importance although how that should be accomplished has changed, given a stagnant economy, higher unemployment, and sweeping and radical changes in the welfare system over the past several years. One key to the maintenance and expansion of economic opportunity is a skilled labor force. For projects generating new jobs, the provision of fringe benefits such as health insurance and retirement programs is critical consideration for public policy makers in their economic development initiatives;
- This Plan addresses the overall strategy for addressing the wide variety of community and economic development needs. It describes the considerations that will be addressed in both the short and long-term, and it allows for flexibility in how the diverse needs of a diverse clientele are included in community and housing program design and implementation. The focus of the activities and strategies described in this Plan primarily address meeting the evolving needs of low and moderate-income persons, including persons of special needs requiring targeted assistance. This Plan provides a means to explore how these programs can be addressed or be modified to meet ever changing and evolving needs. A central theme throughout this Plan is the development of strategies that offer flexibility and accountability;
- This Plan clearly recognizes that the efforts of COMMERCE, in meeting the needs described within must include other local, state and federal entities sharing common goals and interests. These other entities also include local and regional organizations or commissions that serve the same clientele as served by the housing and community development programs described within this document;
- Compounding the effects of an economic downturn state-and nationwide, community and housing resources are becoming more scarce. If the dwindling resources are not as a result of appropriation cuts, it is then because of significantly increasing needs. Responsiveness is critical for COMMERCE and this Plan allows for that as well as encourages creativity in trying new approaches to old problems;
- Proven strategies will be continued, but program clientele and administrators will need to improve those strategies as well as explore more efficient and effective approaches to addressing the needs described within this document. The Action Plan for both the first year of the Plan and for subsequent years allows for this responsiveness.

## **Part V: Annual Plan -- One-Year Use of Funds (2004-2005)**

### **☛ CDBG Program:**

- estimated \$33,079,128 available in Federal FY'04 formula allocations

#### **CDBG Housing Program:**

- approximately \$10,274,000 for Housing activities: \$9,924,000 in HUD authorization funds; \$350,000 in housing program income and recaptured funds
- funds available to "Small Cities" (local units of government that do not receive direct HUD CDBG entitlement allocations)
- funds available through an application process to local governments
- up to \$2 million available for responding to emergency community housing needs
- eligible activities: owner-occupied and renter-occupied rehabilitation, accessibility modifications, homestead (down-payment and closing cost assistance, combined in some situations with rehabilitation), new housing site development and certain acquisition costs, small-scale public facilities improvements
- CDBG Housing funding will leverage an estimated \$6 million in other resources
- CDBG Housing will assist approximately 618 households in 2004-2005

#### **Economic Development Program:**

- funds available through an application process to local governments
- local governments make loans to businesses in order to create jobs; businesses must at least match CDBG financing dollar-for-dollar
- commerce will award an estimated 20 loans of an estimated amount of \$10-11 million for economic development grants
- CDBG Economic Development grants will assist in creating approximately 1,000 new jobs, 510 of which shall be for low- and moderate-income workers

#### **Public Facilities Program:**

- funds available through an application process to local governments
- eligible activities: water and sewer transmission and treatment, streets, parks, curbs and sidewalks; handicapped access projects for municipal facilities, and municipally owned and operated public facilities that serve primarily low- and moderate-income persons
- some funds are set aside for emergency needs
- an estimated 19 to 25 awards of about \$7 million will be granted this fiscal year
- CDBG Public Facilities grants will benefit an estimated 25,000 households, of whom approximately 15,000 will be of low- or moderate-income

#### **Public Facilities for Economic Development Program:**

- funds available through an application process
- assists local governments in financing infrastructure that will allow for expansion of employment opportunities and increase in municipality's tax base
- estimated number of awards is 12 totaling \$2.5 million
- CDBG Public Facilities for Economic Development grants will assist in creating or retaining approximately 500 jobs, 251 of which will be for low-moderate income workers

#### **Blight Elimination and Brownfield Redevelopment Program:**

- funds available through competitive process
- designed to operate in conjunction with state and other federal Brownfields assistance; CDBG will pay for site assessments and remediation
- number of awards for this fiscal year is 4; the estimated amount is \$.85 million
- remediation component expected to generate 75 jobs, 38 of which will be for low- and moderate-income workers

CDBG Planning Grants:

- funds available through an application process
- designed for specific planning program to respond to major local economic or community development proposals or unexpected economic developments
- estimated number of awards is 15; estimated amount is \$350,000
- beneficiaries limited to CDBG eligible activities

☞ **HOME Program:**

- estimated \$15,138,505 available in Federal FY'04 formula allocation
- at least 15% available to Community Based Housing Development Organizations (CHDOs) for providing affordable housing units
- funds disbursed by formula and through competitive processes
- funds available statewide (except in HOME entitlement jurisdictions)
- eligible activities: homeowner rehabilitation, homeowner accessibility rehabilitation, possible weatherization assistance, renter rehabilitation, rental housing development, home buyer assistance, home buyer lease-purchase assistance, tenant-based rental assistance
- continued funding of the Fresh Start initiative that provides at-risk young people with education, skills, and career direction through opportunities for meaningful service in their communities while helping construct affordable housing units for low-income families
- HOME funding will leverage an estimated \$23,500,000 in other private and public funding
- HOME funding will assist approximately 1025 households in 2004-2005

☞ **Emergency Shelter Grant (ESG) Program:**

- estimated \$1,908,166 available
- funds available through competitive process to local governments and nonprofit agencies; overall funds allocated on percentage basis to regions of state (up to 26% to metropolitan Milwaukee counties, up to 43% to other metropolitan counties, and 31% to nonmetropolitan counties)
- Interest Bearing Real Estate Trust Accounts (IBRETA) receipts to supplement ESG funds
- eligible activities: renovation, rehabilitation, and conversion of buildings for use as emergency shelters or transitional housing for the homeless; provision of essential services; payment of maintenance and operations (up to 30% of grant); homelessness prevention
- ESG funding, combined with State Shelter Subsidy Grants, will provide shelter and prevention services to approximately 36,000 households in 2004-2005

☞ **Housing Opportunities for Persons With AIDS (HOPWA) Program:**

- \$405,000 in federal FY'04 funding available (separate allocation for Milwaukee metropolitan area)
- funds available through competitive process
- eligible activities: housing assistance—such as support services, rent and utility assistance, security deposits and housing counseling—aimed at preventing homelessness
- HOPWA funding will provide assistance to approximately 217 households in 2004-2005



**2000-2005 WISCONSIN CONSOLIDATED PLAN  
PRIORITY NEEDS SUMMARY TABLES**

<b>PRIORITY HOUSING NEEDS</b>			<u>Priority Need Level</u>		
		<i>% of median</i>	0-30%	31-50%	51-80%
RENTER	Small Related	Cost Burden >30%	Medium	Medium	Medium
		Cost Burden >50%	<b>High</b>	<b>High</b>	Medium
		Substandard	<b>High</b>	<b>High</b>	Medium
		Overcrowded	<b>High</b>	<b>High</b>	Medium
	Large Related	Cost Burden >30%	Medium	Medium	Medium
		Cost Burden >50%	<b>High</b>	<b>High</b>	Medium
		Substandard	<b>High</b>	<b>High</b>	Medium
		Overcrowded	<b>High</b>	<b>High</b>	Medium
	Elderly	Cost Burden >30%	Medium	Medium	Medium
		Cost Burden >50%	<b>High</b>	<b>High</b>	Medium
		Substandard	<b>High</b>	<b>High</b>	Medium
		Overcrowded	<b>High</b>	<b>High</b>	Medium
OWNER		Cost Burden >30%	Medium	Medium	Medium
		Cost Burden >50%	<b>High</b>	<b>High</b>	Medium
		Substandard	<b>High</b>	<b>High</b>	Medium
		Overcrowded	<b>High</b>	<b>High</b>	Medium

<b>PRIORITY HOMELESS NEEDS</b>		<u>Priority Need Level</u>	
		Families	Persons w/ Special Needs
Assessment/outreach	Medium	<b>High</b>	<b>High</b>
Emergency Shelter	Medium	Medium	Medium
Transitional Housing	Medium	Medium	<b>High</b>
Permanent Supportive Housing	<b>High</b>	<b>High</b>	<b>High</b>
Permanent Housing	<b>High</b>	<b>High</b>	<b>High</b>

<b>PRIORITY COMMUNITY DEVELOPMENT NEEDS</b>			
PUBLIC FACILITIES	<u>Priority Need</u>	INFRASTRUCTURE IMPROVEMENTS	<u>Priority Need</u>
	<u>Level</u>		<u>Level</u>
Senior Centers	Medium	Solid Waste Disposal	Low
Youth Centers	Low	Flood Drainage	Low
Neighborhood Facilities	Medium	Water	<b>High</b>
Child Care Centers	Medium	Street	<b>High</b>
Parks/Recreation	Low	Sidewalk	Low
Health Facilities	Medium	Sewer	<b>High</b>
Parking Facilities	Low	Asbestos Removal	Low
Planning	Medium	Telecommunications	High
Other Public Facilities	Medium	Other	Medium